

SINGLE-FAMILY OPERATIONS

October 2010

CONTACT INFORMATION
WILLIAM F. SHAW 202-402-7550
ZENORA HINES 202-402-7544

Applications

For October, the seasonally adjusted annual rate for applications was estimated to be 1,715,100 -- 47.9 percent below the rate for last month and 43.3 percent lower than this time last year.

The actual count of applications received during the month was 175,421. Of this total, there were 68,628 purchase cases, 98,544 refinance applications and 8,249 HECM transactions.

The refinance cases consisted of 53,626 prior FHA cases and 44,918 conventionals seeking FHA insurance. Included in the refinance total were 66 Hope for Homeowner applications and 21 Short Refinance transactions.

Endorsements

This month FHA endorsed 125,218 single family mortgages. They consisted of 65,781 purchase money mortgages, 54,158 refinanced cases as well as 5,279 reverse mortgages. It is interesting to note that three out of every four (47,738) home purchases were for first time home buyers.

The refinanced transactions involved 33,441 prior FHA mortgages of which 28,476 were streamline refinance cases as well as 20,718 conventional non delinquent mortgage conversions. The refinance total included 22 H4H mortgages.

During October, FHA insured 5,836 condominium units as well as 1,633 Section 203k loans. Also, 5,279 HECM mortgages, most of which were traditional reverse mortgages. In addition, 3,291 mortgages insured this month had adjustable rate terms.

Loans endorsed this month averaged 10.8 weeks to process -- that is from application to endorsement.

For the first time the average FICO score for insured cases reached the 700 level -- actually 702.

Automated Underwriting

During October, 90,052 mortgages were accepted and endorsed by the FHA scorecard. This represented 75.1 percent of all mortgages endorsed.

Insurance-In-Force

During the month FHA insured 125,218 single-family mortgages for \$24.4 billion. At the end of October there were 6,684,825 mortgages-in-force with an unpaid balance of \$909.1 billion.

Defaults and Claims

At the end of October, FHA had 532,938 mortgages in serious default (90 days +, all bankruptcies and all foreclosures) for a default rate of 8.0 percent. In addition, FHA paid 28,235 claims this month. They included 16,222 loss mitigation transactions and 9,848 for mortgage conveyance.

FHA SINGLE-FAMILY OUTLOOK

SINGLE-FAMILY OPERATIONS

October 2010

MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
TOTAL APPLICATIONS: *	175,421	255,938	-31.5%	253,503	-30.8%
Annual Rate	1,715,100	3,291,700	-47.9%	3,026,600	-43.3%
Average per workday	6,779	13,011	-47.9%	11,963	-43.3%
Purchase	68,628	96,446	-28.8%	141,371	-51.5%
Refinance	98,544	146,014	-32.5%	106,240	-7.2%
Prior FHA	53,626	94,351	-43.2%	50,625	5.9%
Conventional to FHA	44,918	51,663	-13.1%	55,615	-19.2%
H4H (HOPE for Homeowners)	66	29	127.6%	11	500.0%
Short Refinance	21	14			
HECM	8,249	13,478	-38.8%	5,892	40.0%
TOTAL ENDORSEMENTS: *	125,218	126,326	-0.9%	176,279	-29.0%
Annual Rate	1,502,600	1,515,900	-0.9%	2,115,300	-29.0%
Weighted Average FICO Score **	701	699	0.3%	694	1.0%
Minority	29,122	30,745	-5.3%	41,373	-29.6%
% Minority	23.3%	24.3%	-1.1% #	23.5%	-0.2% #
Purchase	65,781	71,145	-7.5%	105,901	-37.9%
% Purchase	52.5%	56.3%	-3.8% #	60.1%	-7.5% #
Average FICO Score **	700	700	0.0%	697	0.4%
1st Time Home Buyer	47,738	51,489	-7.3%	86,416	-44.8%
% 1st Time Home Buyer	72.6%	72.4%	0.2% #	81.6%	-9.0% #
Non-Minority	29,197	30,840	-5.3%	57,021	-48.8%
% Non-Minority	61.2%	59.9%	1.3% #	66.0%	-4.8% #
Minority	15,435	17,134	-9.9%	23,725	-34.9%
% Minority	32.3%	33.3%	-0.9% #	27.5%	4.9% #
Not-Disclosed	3,106	3,515	-11.6%	5,669	-45.2%
% Not-Disclosed	6.5%	6.8%	-0.3% #	6.6%	-0.1% #
Refinanced	54,158	49,215	10.0%	61,606	-12.1%
% Refinanced	43.3%	39.0%	4.3% #	34.9%	8.3% #
Average FICO Score **	702	699	0.4%	683	2.8%
Prior FHA	33,441	27,042	23.7%	29,256	14.3%
Streamline	28,476	22,151	28.6%	26,589	7.1%
% Streamline	52.6%	45.0%	7.6% #	43.2%	9.4% #
Full Process	4,965	4,891	1.5%	2,667	86.2%
Cash Out	927	1,037	-10.6%	1,230	-24.6%
Conventional to FHA	20,718	22,173	-6.6%	32,351	-36.0%
Cash Out	5,187	6,100	-15.0%	11,352	-54.3%
Total Cash Out	6,114	7,137	-14.3%	12,582	-51.4%
Total % Cash Out	11.3%	14.5%	-3.2% #	20.4%	-9.1% #
H4H (HOPE for Homeowners)	22	11		11	
HECM	5,279	5,966	-11.5%	8,772	-39.8%
% HECM	4.2%	4.7%	-0.5% #	5.0%	-0.8% #
HECM Traditional	4,957	5,587	-11.3%	7,981	-37.9%
HECM Traditional ARM	1,485	1,680	-11.6%	3,178	-53.3%
HECM Purchase	92	107	-14.0%	141	-34.8%
HECM Purchase ARM	12	17	-29.4%	18	-33.3%
HECM Refinance	230	272	-15.4%	650	-64.6%
% HECM Refinance	4.4%	4.6%	-0.2% #	7.4%	-3.1% #
HECM Refinance ARM	48	64	-25.0%	233	-79.4%

Source: * F17 CHUMS

- Percentage point difference

** This series represents the composite FICO score value that is used for loan underwriting.

FHA SINGLE-FAMILY OUTLOOK

SINGLE-FAMILY OPERATIONS

October 2010

MONTHLY COMPARISONS

	CURRENT MONTH	LAST MONTH	RATE OF CHANGE	LAST YEAR	RATE OF CHANGE
FORWARD ENDORSEMENTS ONLY: *					
Section 203(k)	1,633	1,738	-6.0%	1,837	-11.1%
Condominium	5,836	5,908	-1.2%	10,121	-42.3%
% Condominium	4.7%	4.7%	0.0% #	5.7%	-1.1% #
ARM (Excludes HECM ARM)	3,291	3,387	-2.8%	4,180	-21.3%
% ARM	2.6%	2.7%	-0.1% #	2.4%	0.3% #
Manufactured Housing (Real Estate)	1,811	2,109	-14.1%	3,167	-42.8%
Interest Buy-down	258	182	41.8%	340	-24.1%
Average Processing Time * ^					
(Existing Homes, weeks)					
Application to Closing	6.9	6.8	1.5%	6.7	3.0%
Closing to Endorsement	3.9	3.9	0.0%	4.0	-2.5%
Lender Insurance *					
Total Lender Insurance	93,076	94,302	-1.3%	126,234	-26.3%
% of Total Insurance	74.3%	74.6%	-0.3% #	71.6%	2.7% #
Forward Mortgages	91,930	92,808	-0.9%	124,486	-26.2%
HECM	1,146	1,494	-23.3%	1,748	-34.4%
Automated Underwriting System * x					
AUS Endorsed	90,052	96,292	-6.5%	135,788	-33.7%
AUS as % of Total Endorsed	75.1%	80.0%	-4.9% #	81.1%	-6.0% #
Mortgage Insurance *					
Total Number	125,218	126,326	-0.9%	176,279	-29.0%
Total Amount (\$B)	\$24.4	\$24.4	0.0%	\$32.2	-24.2%
Forward Mortgages					
Total Forward Number	119,939	120,360	-0.3%	167,507	-28.4%
Amount (\$B)	\$23.1	\$22.9	0.9%	\$29.6	-22.0%
Purchase Number	65,781	71,145	-7.5%	105,901	-37.9%
Amount (\$B)	\$11.7	\$12.8	-8.6%	\$18.2	-35.7%
Refinance Number	54,158	49,215	10.0%	61,606	-12.1%
Amount (\$B)	\$11.4	\$10.1	12.9%	\$11.4	0.0%
Reverse Mortgages					
HECM Number	5,279	5,966	-11.5%	8,772	-39.8%
Max Claim Amount (\$B)	\$1.3	\$1.5	-13.3%	\$2.6	-50.0%
Mortgage Insurance-In-Force **					
Total Number	6,684,825	6,624,780	0.9%	5,614,948	19.1%
Total Unpaid Balance Amount (\$B)	\$909.1	\$897.5	1.3%	\$714.0	27.3%
Loans Seriously Delinquent *** <					
90 Days + Delinquent	532,938	563,513 r	-5.4%	505,438 r	5.4%
Seriously Delinquent Rate	8.0%	8.5% r	-0.5% #	9.0% r	-1.0% #

Source: * F17 CHUMS ** A43 Single Family Insurance System *** F42D Consolidated Single Family Default Monitoring System

Percentage point difference r - revised

^ Existing homes, including purchase and refinance cases, represent virtually all of insurance activity.

x AUS includes only forward mortgages accepted and endorsed by the FHA scorecard (TOTAL).

< This count of seriously delinquent mortgages includes all bankruptcies, all foreclosures and 90 days or more delinquencies.

FHA SINGLE-FAMILY OUTLOOK

SINGLE-FAMILY OPERATIONS

October 2010

FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2011 AS OF OCT 10	FY 2011 TO DATE	FY 2010 TO DATE	RATE OF CHANGE 2011/2010	FY 2010 FINAL
TOTAL APPLICATIONS: *	2,000,000	175,421	253,503	-30.8%	2,334,696
Purchase	1,120,000	68,628	141,371	-51.5%	1,256,565
Refinance	800,000	98,544	106,240	-7.2%	981,160
Prior FHA	300,000	53,626	50,625	5.9%	423,093
Conventional to FHA	500,000	44,918	55,615	-19.2%	558,067
H4H (HOPE for Homeowners)		66	11		340
Short Refinance		21			
HECM	80,000	8,249	5,892	40.0%	96,971
TOTAL ENDORSEMENTS: *	1,500,000	125,218	176,279	-29.0%	1,746,997
Minority	375,000	29,122	41,373	-29.6%	429,926
% Minority	25.0%	23.3%	23.5%	-0.2% #	24.6%
Purchase	900,000	65,781	105,901	-37.9%	1,109,699
% Purchase	60.0%	52.5%	60.1%	-7.5% #	63.5%
1st Time Home Buyer	720,000	47,738	86,416	-44.8%	882,200
% 1st Time Home Buyer	80.0%	72.6%	81.6%	-9.0% #	79.5%
Non-Minority	460,800	29,197	57,021	-48.8%	558,991
% Non-Minority	64.0%	61.2%	66.0%	-4.8% #	63.4%
Minority	216,000	15,435	23,725	-34.9%	265,138
% Minority	30.0%	32.3%	27.5%	4.9% #	30.1%
Not-Disclosed	43,200	3,106	5,669	-45.2%	58,061
% Not-Disclosed	6.0%	6.5%	6.6%	-0.1% #	6.6%
Refinanced	525,000	54,158	61,606	-12.1%	558,192
% Refinanced	35.0%	43.3%	34.9%	8.3% #	32.0%
Prior FHA	231,000	33,441	29,256	14.3%	252,522
Streamline	204,750	28,476	26,589	7.1%	212,940
% Streamline	39.0%	52.6%	43.2%	9.4% #	38.1%
Full Process	26,250	4,965	2,667	86.2%	39,582
Cash Out	17,000	927	1,230	-24.6%	12,129
Conventional to FHA	294,000	20,718	32,351	-36.0%	305,676
Cash Out	203,000	5,187	11,352	-54.3%	98,107
Total Cash Out	220,000	6,114	12,582	-51.4%	110,236
Total % Cash Out	41.9%	11.3%	20.4%	-9.1% #	19.7%
H4H (HOPE for Homeowners)		22	11		107
HECM	75,000	5,279	8,772	-39.8%	79,106
% HECM	5.0%	4.2%	5.0%	-0.8% #	4.5%
HECM Traditional	67,500	4,957	7,981	-37.9%	72,855
HECM Traditional ARM	66,150	1,485	3,178	-53.3%	23,005
HECM Purchase	2,400	92	141	-34.8%	1,389
HECM Purchase ARM	2,352	12	18	-33.3%	146
HECM Refinance	5,100	230	650	-64.6%	4,862
% HECM Refinance	6.8%	4.4%	7.4%	-3.1% #	6.1%
HECM Refinance ARM	4,998	48	233	-79.4%	1,457

Source: * F17 CHUMS

- Percentage point difference

FHA SINGLE-FAMILY OUTLOOK

SINGLE-FAMILY OPERATIONS

October 2010

FISCAL YEAR COMPARISONS

	PROJECTIONS FY 2011 AS OF OCT 10	FY 2011 TO DATE	FY 2010 TO DATE	RATE OF CHANGE 2011/2010	FY 2010 FINAL
FORWARD ENDORSEMENTS ONLY: *					
Section 203(k)	22,000	1,633	1,837	-11.1%	22,491
Condominium	110,000	5,836	10,121	-42.3%	93,468
% Condominium	7.3%	4.7%	5.7%	-1.1% #	5.4%
ARM (Excludes HECM ARM)	50,000	3,291	4,180	-21.3%	46,940
% ARM	3.3%	2.6%	2.4%	0.3% #	2.7%
Manufactured Housing (Real Estate)	50,000	1,811	3,167	-42.8%	30,751
Interest Buy-down	4,000	258	340	-24.1%	3,845
Lender Insurance *					
Total Lender Insurance	1,050,000	93,076	126,234	-26.3%	1,277,137
% of Total Insurance	70.0%	74.3%	71.6%	2.7% #	73.1%
Forward Mortgages	1,029,000	91,930	124,486	-26.2%	1,259,909
HECM	21,000	1,146	1,748	-34.4%	17,228
Automated Underwriting System * x					
AUS Endorsed	1,125,000	90,052	135,788	-33.7%	1,409,766
AUS as % of Total Endorsed	78.9%	75.1%	81.1%	-6.0% #	84.5%
Mortgage Insurance *					
Total Number	1,500,000	125,218	176,279	-29.0%	1,746,997
Total Amount (\$B)	\$288.7	\$24.4	\$32.2	-24.2%	\$318.8
Forward Mortgages					
Total Forward Number	1,425,000	119,939	167,507	-28.4%	1,667,891
Amount (\$B)	\$270.0	\$23.1	\$29.6	-22.0%	\$297.7
Purchase Number	900,000	65,781	105,901	-37.9%	1,109,699
Amount (\$B)	\$162.0	\$11.7	\$18.2	-35.7%	\$191.7
Refinance Number	525,000	54,158	61,606	-12.1%	558,192
Amount (\$B)	\$107.6	\$11.4	\$11.4	0.0%	\$106.0
Reverse Mortgages					
HECM Number	75,000	5,279	8,772	-39.8%	79,106
Max Claim Amount (\$B)	\$18.7	\$1.3	\$2.6	-50.0%	\$21.1
Claims **					
Total Claims	305,000	28,235	18,926	49.2%	303,402
Loss Mitigation Retention	185,000	16,222	10,609	52.9%	182,968
Pre-Foreclosures	15,000	1,454	970	49.9%	15,291
Conveyances	100,000	9,848	6,733	46.3%	99,653
Other Claims	5,000	711	614	15.8%	5,490

Source: * F17 CHUMS ** A43C Claims System

= Percentage point difference

x AUS includes only forward mortgages accepted and endorsed by the FHA scorecard (TOTAL).